



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2184 (1944)

December 4, 1990

SUBJECT: Verification of Social Security Income

**TO: State Directors, District Directors and
County Supervisors**

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) is issued to advise that the Social Security Administration (SSA) has discontinued the "Third Party Query System" (TPQS) and that Farmers Home Administration (FmHA) will need to accept alternative verification methods.

COMPARISON WITH PREVIOUS AN:

No previous AN on this subject is still in effect.

IMPLEMENTATION RESPONSIBILITIES:

The SSA has discontinued the TPQS method of verifying income for its recipients, therefore, FmHA must accept other verification methods until SSA completes an alternative computer based system. This affects primarily 502 Applicants/Borrowers and 515 tenants/tenant applicants, but also affects any other program area that needs verification of SSA income. We can continue to use the request and consent form signed by the SSA recipient and forwarded to SSA for completion. However, to save time and alleviate the volume of paper SSA would have to process, FmHA is willing to accept one of the following until further notice:

1. **Award Letter:** This letter is acceptable verification, if it is of a recent date and does not show signs of having any figures changed. If it is of a date in the previous calendar year, it will be necessary to add the "Cost of Living Adjustment" (COLA) that was effective the immediate past January.

2. **Cost-of-Living Adjustment (COLA) in Social Security Benefits and Supplemental Security Income Payments:** This notice is acceptable verification, if it is the most recent one the recipient received and does not show signs of having any figures changed. This notice is usually received with each January 1 SSA check.

EXPIRATION DATE: November 30, 1991

**FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1944-A**



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

3. Social Security Benefit Statement, Forms SSA-1099 and SSA-1042: Either of these forms reports the past year's income and are acceptable verification, provided they are for the immediate preceding year and the COLA for the immediate past January is added.

4. Notice of Change in Benefits: This is a notice that advises the recipient that the amount of benefit has been changed for a particular reason.

The 502 borrower's case file or the 515 project tenant file, as applicable, should contain a photocopy of the verification that was accepted under method 1, 2, 3, or 4 above, plus any calculations used to add a COLA.

We are attaching a sample copy of the Award Letter, COLA Notice, and Forms 1099 and 1042 so you may be familiar with what you can expect to see.

for Leonard Harley Jr.
LA VERNE AUSMAN
Administrator

Attachments

**Social Security Administration
Supplemental Security Income
Notice of Award**

METHOD 1: SAMPLE OF NOTICE OF AWARD

Date: October 19, 1990

Claim Number: 006-26-6110 BI

044
BLD INDIV
TEST
HOLYOKE MA

01040

* Application Filed *
September 01, 1990

* Type of Payment *
Individual--Blind

This is to notify you that you are eligible to receive Supplemental Security Income payments under the provisions of Title XVI of the Social Security Act. The rest of this letter will tell you more about our decision.

HOW MUCH WE'LL PAY

Beginning	*Through*	*Monthly Amount Payable*
September 01, 1990	October 31, 1990	\$535.74. This includes \$149.74 from the State of Massachusetts.
November 01, 1990	Continuing	\$.00.

INFORMATION ABOUT YOUR PAYMENTS

- We are sending you a check for \$1,071.48. This is money due you for September 1990 through October 1990. No further payments will be sent to you at this time.
- You should receive the check no later than October 22, 1990.

YOUR SSI IS BASED ON THESE FACTS

- You were blind in September 1990 on.
- You were living in the State of Massachusetts for September 1990 on.

- The amount of money we pay you from the State of Massachusetts depends on the State's rules.

You are living independently for September 1990 on.

- You have monthly income which must be considered in figuring your payment as follows:

Your other unearned income of \$7,777.77 for November 1990.

- Because of your income, you are not eligible to receive Supplemental Security Income payments for November 1990 on.

INFORMATION ABOUT YOUR BACK PAYMENTS

We are sending you a Supplemental Security Income check for \$1,071.48 in October 1990. We will not count the part of this money which was due for back payments as your resource for 6 months. If the money is not spent before May 01, 1991, we will count any money left over as part of your resources. But things bought with this money may count as resources the month after they are bought. Your Social Security office can tell you which things count as resources. You cannot get SSI if the resources we count have a value of more than \$3000.00.

INFORMATION ABOUT MEDICAID

Since you are not eligible now for SSI, you are also not eligible now for Medicaid based on SSI. However, if you need help with medical bills, you may still be eligible for medical assistance. Also, you may be eligible for Medicaid for the months we paid you SSI.

Contact the Massachusetts Commission for the Blind for information about your State's medical assistance programs and your eligibility for Medicaid. When you visit that agency, please take this letter with you. It will help the people there answer your questions.

THINGS TO REMEMBER

- Payments may change if your circumstances change. Therefore, you are required to report any change in your situation that may affect your Supplemental Security Income payment. For example, you should tell us if you move, if anyone else moves from or into your household, if your marital status changes, if income or resources for you or members of your household change, if your medical condition improves or if you go to work. Read the booklet--What You Have to Know About SSI--carefully for additional information about this requirement.

- Doctors and other trained personnel decided that you are blind. But we will review your case in September 1993. We will send you a letter before we start the review. Based on that review, your SSI will continue if you are still blind. But it will end if you are no longer blind.
- If at any time in the future you think you qualify for payment, please contact us immediately about filing a new application. We cannot make payment for any month before the month in which you apply.
- The other notice you received with this one is a Spanish translation of the same information contained in this notice.
- Would you like to work? If so, you should know about special Supplemental Security Income (SSI) rules. These rules can help you keep Medicaid and may help you keep getting some SSI even though you are working. The enclosed fact sheet tells you more about special SSI rules for people who work.

DO YOU THINK WE ARE WRONG?

If you think we are wrong, you have the right to appeal. A person who did not make the first decision will decide your case. We will correct any mistakes. We will review those parts of the decision which you believe are wrong and will look at any new facts you have. We may also review those parts which you believe are correct and may make them unfavorable or less favorable to you.

- You have 60 days to ask for an appeal.
- The 60 days start the day after you receive this letter.
- You must have a good reason if you wait more than 60 days.
- To appeal, you must fill out a form called "Request for Reconsideration." The form number is SSA-561. To get this form, contact one of our offices. We will help you fill out the form.

HOW TO APPEAL

There are two ways to appeal. You can pick the one you want. If you meet with us in person, it may help us decide your case.

- Case Review. You have a right to review the facts in your file. You can give us more facts to add to your file. Then we'll decide your case again. You won't meet with the person who decides your case. This is the only kind of appeal you can have to appeal a medical decision.

- Informal Conference. You'll meet with the person who decides your case. You can tell that person why you think you're right. You can give us more facts to help prove you're right. You can bring other people to help explain your case.

IF YOU WANT HELP WITH YOUR APPEAL

You may want help from a friend, lawyer or someone else. There are groups that can find you a lawyer. Some can give you a free lawyer. We can give you the names of these groups.

IF YOU HAVE ANY QUESTIONS

If you have any questions, you may call us at 1-800-234-5772. We can answer most questions over the phone. You may also write or visit any Social Security office. The office that serves your area is located at:

802 HIGH STREET
THIRD FLOOR
HOLYOKE MA
01040

If you do call or visit an office, please have this letter with you. It will help us answer your questions. Also, if you plan to visit an office, you may call ahead to make an appointment. This will help us serve you more quickly when you arrive at the office.

We are sending you a pamphlet which contains important information you should know. The pamphlet is called "What You Have To Know About SSI." We are also enclosing additional information about rules that can help you if you are working, or if you decide to work.



Gwendolyn S. King
Commissioner
of Social Security

ENCLOSURES:

SSI Rules That Help You Work

U.S. Department of Health and Human Services Social Security Administration

Use the Space Below to Correct Your Address:

METHOD 2: SAMPLE OF COLA NOTICE

Street Address, Apt. No., Rural Route No.

City State Zip Code

()
Area Code Daytime Telephone Number

Tear on Perforation

We are writing to tell you that your Social Security payments will increase by 4.7 percent starting in January. The basic premium for Medicare medical insurance will also be higher in January.

Your New Payment Amount

We will deposit your new monthly payment of \$ **634.00** into your bank account starting January 3, 1990. The increase in your payment is based on a rise in the cost of living.

- If you pay for Medicare medical insurance, we subtracted your new monthly Medicare premium of \$ **33.90** when we figured your new payment amount. (Legislation pending at the time we printed this notice may change this figure.)
- The total amount of your monthly benefit before deductions is \$ **667.90**. This is the figure organizations need when they ask for proof of your benefit amount.

Use this notice when you need proof of your benefit amount to receive food stamps, rent subsidies, energy assistance, bank loans, or for other business.

Please Tell Us If Your Address Changes

It is important that we have your correct mailing address. We often send you information about changes in Social Security and changes that may affect the amount of your benefits. **We will stop your monthly payments if we cannot locate you to verify that you still qualify for benefits.**

Please check the address we show above. If the address is wrong, write your correct address next to the old one and mail it to us in the enclosed envelope. Or, call or visit any Social Security office to give us your correct address. If you will move soon, save the address card and envelope so that you can use them to give us your new address.

If You Worked In 1989

If you earned more than the Social Security earnings limit and received some benefits in 1989, you must complete a 1989 Annual Report of Earnings, unless you were 70 or older all year. We must deduct \$1 in benefits for each \$2 you earned over the 1989 earnings limit.

- If you were 65 or older in 1989, the earnings limit was \$8,880.
- If you were under 65 in 1989, the limit was \$6,480.

We usually mail the Annual Report to you, but if you do not receive one by early February, contact us. We must receive your completed report by April 16, 1990. Remember, filing an income tax return with the Internal Revenue Service is not the same as filing an Annual Report of Earnings with us.

If You Plan To Work In 1990

In 1990, you can earn more and still receive all your Social Security benefits. If you are under 70, and plan to earn more than the 1990 earnings limits shown below, you need to give us an estimate of your earnings.

- **If you are now 65 or older**, or will turn 65 in 1990, you can earn \$9,360 and still receive all your benefits. We will deduct \$1 from your benefits for each \$3 you earn over this amount.
- **If you are under 65 in all of 1990**, you can earn up to \$6,840 and still receive all your benefits. We will deduct \$1 from your benefits for each \$2 you earn over this amount.

Also, if you are working outside the U.S., special rules apply. Contact your nearest U.S. Embassy or consulate for more facts.

If You Work And Receive Social Security Disability Or Supplemental Security Income Payments (SSI)

If you receive disability or SSI payments, you must report **all** work, no matter how much you earn. Also, there are special rules that help disabled and blind people return to work. Contact us for a free leaflet.

New Medicare Hospital Deductible Amount

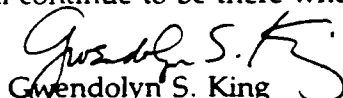
Medicare hospital patients will be required to pay only one deductible of \$592 in 1990.

If You Have Any Questions

If you have any questions, you should call, write, or visit any Social Security office. If you visit an office, please bring this letter. It will help us answer your questions.

Social Security Is Financially Sound

Since you receive Social Security benefits, I know that you must also be interested in the future of Social Security. I want to assure you that Social Security rests on a sound financial foundation. Social Security benefits will continue to be there when you need them.


Gwendolyn S. King
Commissioner of Social Security

METHOD 3: SAMPLE OF FORM SSA-1099-SM
(Form 1042 would be similar)

FORM SSA-1099 — SOCIAL SECURITY BENEFIT STATEMENT

1989

- PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.
- SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name		Box 2. Beneficiary's Social Security Number	
Box 3. Benefits Paid in 1989 \$7,090.80	Box 4. Benefits Repaid to SSA in 1989 NONE	Box 5. Net Benefits for 1989 (Box 3 minus Box 4) \$7,090.80	
DESCRIPTION OF AMOUNT IN BOX 3 Paid by check or direct deposit \$6,708.00 Medicare premiums paid for you \$382.80 Total Additions \$7,090.80		DESCRIPTION OF AMOUNT IN BOX 4 NONE	
		Box 6. Disregard	
		Box 7. Claim Number (Use this number if you need to contact SSA.)	

51874089-1640874415

Form SSA-1099-SM (1-90)

DO NOT RETURN THIS FORM TO SSA OR IRS

Facts About Your 1989 Social Security Benefit Statement

Your 1989 Social Security Benefit Statement is on the back of this form. Use it, along with the information below, to see if part of your Social Security benefits may be taxable. Also, see below for facts about changes in Medicare premiums.

What You Need To Do

Use the 1989 Social Security Benefit Statement on the reverse, along with Internal Revenue Service (IRS) Notice 703 below, to see if any part of your benefits may be taxable for 1989. **If none of your Social Security benefits is taxable, you may disregard this form.** Do not return this form to us or IRS or attach it to your income tax return. We are also sending this information to IRS. This statement does not include any SSI benefits you may have received.

Who Receives This Statement

We are required by law to send a statement to each person who received or repaid any Social Security benefits during 1989. Separate statements are sent to each person even if his/her benefit checks were combined with those of another. A person who receives more than one check each month may get more than one statement.

Explanation Of Items

Box 1—"Name"—This is the name of the person for whom the Social Security benefits shown on this statement were paid.

Box 2—"Social Security Number"—If SSA's records contain the Social Security number for the person listed in Box 1, that person's Social Security number will be shown in Box 2. If you need to contact SSA about this statement, always use the claim number shown in Box 7.

Box 3—"Benefits Paid in 1989"—This is the total amount of Social Security benefits considered paid to you in 1989. This amount may not agree with payments you actually received in 1989 since it includes such items as amounts withheld to pay Medicare Part B premiums, etc., and excludes some payments that are not subject to tax. These items are listed in the "Description of Amount in Box 3". Payments made during 1989 that were for earlier years are included in this total but shown separately.

Box 4—"Benefits Repaid to SSA in 1989"—This is the total amount of benefits repaid to SSA in 1989. Any items that apply to you are shown in the column headed "Description of Amount in Box 4".

Box 5—"Net Benefits for 1989"—This total is the amount in Box 3 minus the amount in Box 4. A figure in parentheses is a negative amount. Enter this amount on line A of IRS Notice 703 to see if any part of your Social Security benefits may be taxable.

If You Have Any Questions

If you have questions about the figures on this form, call or visit any Social Security office. Please have this form with you. If you have questions about how to figure the taxable part (if any) of your Social Security benefits after you complete Notice 703, you can call IRS on the IRS toll-free number for your area.

Changes In Medicare Hospital Insurance (Part A) Premiums

Congress recently changed the Medicare catastrophic health insurance program. Now, no one will have to pay the Medicare Hospital Insurance income tax-based premium you would have paid with your income tax.

The 1989 tax returns have lines (line 54 of Form 1040 and line 23 of Form 1040A) for this premium. Please leave those lines blank when you are filling in your forms 1040.

Changes in Medicare Medical Insurance (Part B) Premiums

You may have gotten a notice from us telling you that the basic monthly premium for Medicare medical insurance (Part B)—the amount most people pay—would be \$33.90 in 1990. When Congress changed the catastrophic health insurance law, it lowered the 1990 basic premium to \$28.60.

It may take us several months to correct your payment to reflect the lower premium. But, we will refund any money we owe you and send you a notice about the change in your premium. **You will receive the refund automatically—you do not have to contact the Social Security Administration.**

The Health Care Financing Administration will send you more facts about changes in Medicare.

Facts About Computer Matching Programs

Congress passed a law (PL 100-503) in 1988 that says you have a right to know that we may use information you give us when we match records by computer. Below, we tell you about computer matching and how it may affect you.

What Are Computer Matching Programs?

Computer matching programs compare our records with those of other Federal, State, or local

government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government.

How Do Computer Matching Programs Affect You?

On forms that you fill out for us you give us information about yourself. Sometimes, we check the information you, and others, give us. We use computer matching to do the checking.

The law allows us to check this way even if you do not agree to it. We may also share information about you with other government agencies that pay benefits. They will use this information in their computer matching programs.

If You Want More Facts

If you want to learn more about computer matching or how we use information about you, please contact any Social Security office.

- Social Security Administration
Supplemental Security Income
Notice of Planned Action

016

METHOD 4: SAMPLE OF NOTICE OF CHANGE

Date: November 27, 1989

WILLIAM A KING SR
FOR
PHILLIP N KING
[REDACTED]
[REDACTED]
[REDACTED]

Claim Number: [REDACTED]

We are writing to tell you about changes in PHILLIP N. KING'S Supplemental Security Income payments. The rest of this letter will tell you more about this change.

INFORMATION ABOUT PHILLIP N. KING'S PAYMENTS

- The amount due him beginning January 1990 will be \$349.25. This amount includes \$15.00 from the District of Columbia.
- The amount due him is being raised because the law provides for an increase in Supplemental Security Income payments in January 1990 if there was an increase in the cost of living during the past year.

PHILLIP N. KING'S PAYMENT IS BASED ON THESE FACTS

Our records show his total monthly income which was used to figure his Supplemental Security Income payment for January 1990 is \$1,632.75. This is based on the following income--

The wages received by his parent of \$1,632.75 for November 1989.

DO YOU THINK WE'RE WRONG?

If you think we're wrong, you have the right to appeal. We'll correct mistakes. We'll look at any new facts you have.

- You have 60 days to ask for an appeal.
- The 60 days start the day after you get this letter.
- You'll have to have a good reason for waiting more than 60 days.
- To appeal, you must fill out a form called "Request for Reconsideration." The form number is SSA-561. To get this form, contact one of our offices. We can help you fill out the form.

APPEAL IN 10 DAYS TO KEEP GETTING YOUR SAME CHECK

- We won't change PHILLIP N. KING'S check if you appeal within 10 days.

11/27/89

573-17-3233
Page 2

- The 10 days start the day after you get this letter.
- If you lose your appeal, you might have to pay back some or all of this money.

HOW TO APPEAL

There are three ways to appeal. You can pick the one you want. If you meet with us in person, it may help us decide your case.

- Case Review. You have a right to review the facts in your file. You can give us more facts to add to your file. Then we'll decide your case again. You won't meet with the person who decides your case.
- Informal Conference. You'll meet with the person who decides your case. You can tell that person why you think you're right. You can give us more facts to help prove you're right. You can bring other people to help explain your case.
- Formal Conference. This is a meeting like an informal conference. The difference is we can make people come to help prove you're right. We can make them bring important papers about your case, even if they don't want to help you. You can question these people at your meeting.

IF YOU WANT HELP WITH YOUR APPEAL

You may want help from a friend, lawyer or someone else. There are groups that can find you a lawyer. Some can give you a free lawyer. We can give you the names of these groups.

IF YOU HAVE ANY QUESTIONS

If you have any questions, you may call us at 1-800-234-5772. We can answer most questions over the phone. You may also write or visit any Social Security office. The office that serves your area is located at:

333 HAWAII AVE NE
SUITE 3
WASHINGTON DC
20011

If you do call or visit an office, please have this letter with you. It will help us answer your questions. Also, if you plan to visit an office, you may call ahead to make an appointment. This will help us serve you more quickly when you arrive at the office.



Herbert R. Doggette, Jr.
Deputy Commissioner,
Operations